EMPLOYEE EMPOWERMENT AND PERFORMANCE OF PUBLIC UNIVERSITIES IN KENYA

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Abstract

The study aimed at assessing the influence of employee empowerment on performance of Public Universities in Kenya. A review of extant conceptual and empirical literature was done and hypotheses formulated. A positivist paradigm using descriptive research design was used. The population comprised the staff of Chartered Public Universities in Kenya 2013. Proportionate random stratified sampling and multi stage sampling was used. A sample size of 1,011 staff was selected from employees of Chartered Public Universities in Kenya. The literature review revealed that a number of studies have been conducted on the predictors and antecedents of employee empowerment and performance however, these studies are inconclusive. A structured questionnaire with Likert-type interval scale anchored on a five-point scale was used to collect primary data. Descriptive statistics were computed for organizational data and the main characteristics of the study variable. Hypotheses were tested using Pearson’s product moment, simple linear regression, and change statistics for data analysis and tests. The results revealed that employee empowerment have a positive relationship with the performance. Using ANOVA and F-test the study showed that the influence of employee empowerment on organizational performance was linear and was statistically significant. This study contributes to the understanding of the link between employee empowerment and organizational performance. Involvement in decision-making and autonomy coupled with enabling structures and leadership should be considered if employees are to be empowered and their contributions to count.

Key Words: employee empowerment, autonomy, decision making, psychological and structural empowerment, and organizational performance
INTRODUCTION

The relationship between employee empowerment and performance has been a key issue in understanding the effectiveness of organizations. Indeed this relationship has been studied since the pioneering work of Kanter (1977; 1983) and Spreitzer (1995). Many researchers (Thomas and Velthouse, 1990; Randolph, 2000) have recognized that empowerment is evidenced by organizational members who are inspired and motivated to make meaningful contributions and who have confidence that their contributions will be recognized and valued. In Kenya for example empowerment programs have been put in place in some organizations in the private sector and in multinationals; however the practice in public sector is a challenge due to inflexibility of the system and conditions necessary to make such an approach successful.

The concept of empowerment in the workplace has become a major theme in most organizations today. It has spurred scholarly debate by human resource and management practitioners who assert that empowerment increases performance in organizations (Wilkinson, 1998). Effective employee empowerment practices and strategies nurture favorable employee attitudes and this not only contributes to job satisfaction but also lead to organization commitment (Nick et al. 1994). In defining empowerment, Randolph (2000) refers to empowerment as a means of transferring sufficient and appropriate power to employees and making resources available to enable them succeed in their jobs. Hill and Huq (2004) contend that empowerment simply means giving employees a voice. Several studies (Spreitzer, 1995; Argyris, 1998; Kanooni, 2005) concur that empowerment exists when a person perceives that they have freedom and authority to perform their job effectively. Consistent with empowerment theory, psychological and structural theories of empowerment, researchers agree that the core element of empowerment is giving employees latitude over certain related tasks (Wilkinson, 1998). Peters (1989) confirms the empowerment concept by positing that “involve everyone in everything”, and contended that lead by empowering people. Further Vogt and Murrell (1990) state that empowerment is the period of improving the decision making ability of the employees through cooperation, sharing information, training, autonomy and intellectual capacity.

Despite the growth of empowerment in the last few years its effect still remains ambiguous. More than 25% of organizations surveyed by Lawler et al. (2001) study reported no significant empowerment-oriented practices in their organizations (Spreitzer and Doneson, 2005). Moreover those who have introduced empowerment practices often find it difficult to build genuine employee empowerment practices (Spreitzer and Quinn, 2005). Although there have been reports of success and failure of employee empowerment there has been little rigorous research on its antecedents and its consequences (Menon, 2001). Consistent with the stream of empirical studies examining the relationship between empowerment and performance there is evidence to suggest that empowerment initiatives do not always deliver expected outcomes for organizations, management, or for individuals (Claydon and Doyle, 1996). Wilkinson (1989) argues that while there are many programs labeled as empowerment most are designed not to give employees a very significant role in decision making; but rather to secure an enhanced employee contribution to the organization. From the foregoing discussion the debate on whether empowerment leads to improved performance is still inconclusive.
Consequently, performance may be as a result of a combination of empowerment and other factors.

Most studies on empowerment have been done in developed countries’ contexts (Rothman and Coetzer, 2003). However few studies have been carried out in Asia and Africa. In Kenya, the few studies done have mainly focused on employee empowerment and performance. In this era of globalization empowerment is important for the universities to enable them respond quickly to any changes in macro-environment. With introduction of public sector reforms and performance contracting, the government expects to have an efficient and motivated workforce to serve the public.

Currently, universities have attracted unprecedented public scrutiny and have encountered challenges in their performance such as: increase in student numbers, scarce resources, staff turnover, weak capital outlays, industrial disputes and ‘brain drain’. With increased student numbers this translates to large work-loads for the staff which leads to staff burnout and affect performance. To tackle these challenges, universities need to be strategic and to realize the importance of human resource as an important resource (asset) in order to gain competitive advantage. This is in agreement with the Resource-Based View (RBV) theory which has shifted emphasis in strategic literature away from external factors such as industry position toward internal firm resources such as human resources as a source of competitive advantage (Dunford et al., 2001). Acceptance of internal resource as a source of competitive advantage has brought legitimacy to Human Resource (HR) assertion that people are strategically important to an organizations’ success (Dunford et al., 2001). Human resource is an internal asset that creates value in the organizations’ systems to achieve desired results (Pfeffer, 2013).

PROBLEM OF RESEARCH
Employee empowerment came to prominence in the 1990s as a management response to an increasingly competitive and complex environment. Empowerment is critical to multi-dimensional success of the organization. This is because the human resources is one of the most reliable sources of organizational efficiency, effectiveness and performance. But though this may be true, strategies that are adopted by an institution to empower the employees can affect its performance. However, how these strategies interact with other institutional factors to influence performance is still unexplored. Institutional factors such as structure, strategy, culture, policies, practices and technology play a crucial role in the overall performance of the organization. Managerial decisions are influenced by the structure and culture the organization adopts as it interacts with the environment. Empowerment has impact on performance however; institutional factors could influence this relationship.

Universities in Kenya play an increasingly important role in economic and social development. However universities are encountering challenges such as increased student numbers, rapid expansion, inadequate facilities, less number of staff, low salaries, inadequate funding, low research output among others. They have lost staff to foreign universities in what is commonly known as “brain drain” depriving the country of much needed talent. Wosyanju et al. (2012) confirmed, for example, that Kenyatta University lost 20 lecturers in a span of just one year. Staff in these institutions have joined unions such as University Academic Staff Union (UASU) to fight for empowerment and welfare of their members. In October 2011, and September 2012, 2013 the teaching and non-teaching staff in
the public universities went on strike because of delay in review of their remuneration and working conditions. The management of these challenges depends on holistic approach which should incorporate institutional factors, the extent of employee empowerment, and job-related attitudes.

Several studies (Spreitzer, 1995; Wilkinson, 1998) have tried to explain the link between employee empowerment and performance. However most of the studies have concentrated on isolated facets of empowerment. Ritzen (2011) looked at empowerment as granting formal autonomy to make decisions in the universities, but empowerment is more than autonomy. Wong et al., (2011) in his study concluded that the four cognitions of psychological empowerment namely meaning, competence, self-determination and impact were positively related to organizational performance. While this may be true, the study did not incorporate other factors such as structures, strategies, culture and structural empowerment. Ngambi (2010) established that attracting and retaining skilled, knowledgeable and competent employees in tertiary educational institutions is important. For most higher education institutions have experienced challenges of low morale, skills shortage, stifled academic freedom, low salaries, high student-academic staff ratio, higher workload, and exclusion from decision-making processes.

While extant literature depicts advantages regarding the theoretical aspects of empowerment, there is still inconclusive evidence that empowerment achieves the benefits promised. Empowerment has been found to be positively related to performance (Spreitzer 1995; Menon 2001). At the same time empowerment has been found in some instances to have negative relationship (Hill and Hug, 2004). Researchers in employee empowerment (Spreitzer, 1995; Wilkinson, 1998) have also reported that there is still lack of concurrence on the ideal empowerment program that could empower employees. The ongoing debate on the relationship between empowerment and performance confirms the lack of satisfactory evidence to support the findings as discussed above. Given the mixed research findings on the relationship between empowerment and performance there is need for further research to address this gap. Further most studies investigating aspects of the relationship have been done in different contexts, measurements, conceptualizations and methodologies. Most of the studies have been done in the western context and a few in Asia. Very few studies have been done in Kenya linking empowerment and performance. This study attempted to answer the question: What is the relationship between employee empowerment and performance of public Universities in Kenya.

Higher education in Kenya is undergoing a period of significance change. This has been driven by several factors: political, economic, technological and cultural. The trends are global and far reaching in their impact. These factors affect every aspect of university provision, environment in which universities operate what they will be required to deliver in future and how they will be structured and funded. The Kenyan higher education will keep on expanding at a rapid pace due to a number of converging issues: increased enrollment, increased capacity in public institutions, a growing private sector, more government investment in research and diversified student loan program and increasing income generating projects. The universities were targeted because the role of higher education has been recognized as a very important link in national development (World Bank Report 2007).

LITERATURE REVIEW

The research objectives and related hypothesis concern a proposition that there is a relationship
between employee empowerment and organizational performance. Empowerment theory rose from employee involvement initiatives of the 1980s and 1990s. It came as management’s response to increasingly complex and competitive environment. Specifically it has emanated from the realization that the traditional hierarchical command and control organizations were struggling to meet demands for flexibility and quality (Hill and Huq, 2004). Spreitzer (1995) states that empowerment has emerged as a construct deemed critical to organizational innovativeness and effectiveness, as such empowerment initiatives should be geared towards changing the role of managers. A key presumption of the empowerment theory is that empowered employees perform better than the less empowered (Thomas and Velthouse, 1990). Consisted with empowerment and human resource literature, employee’s feelings of ‘being empowered’ could be attributed to increased autonomy, participation in decision making and accessing of information.

To date, despite the growth of empowerment theory there are still weaknesses stemming from lack of appropriate theoretical frameworks and inadequate attention being paid to practical implications (Hill and Hug, 2004). In particular, researchers are aware that empowerment programs do not always bring desired results and in cases where there are positive results, these could be attributed to other factors such as leadership, job satisfaction and organization commitment. The idea of simply sharing power with employees is not enough to enable empowerment (Kanter, 1983). Success of empowerment programs largely depends on conditions and circumstances and identifying appropriate implementation of structures and strategies. According to Smithson & Psinos (1997) empowerment is a slippery subject both in theory and practice. However, empowerment theory has been accepted by researchers as a sound basis for which to develop theory in the field of human resource management. The theory depicts the relationship between employee empowerment and performance. Fox (1998) argues that proponents of empowerment theory have maintained that empowerment exists when organizations implement practices that distribute power, information, knowledge, and rewards throughout the organization.” (Bowen & Lawler, 1995).

Empowerment theory has been looked at from two different approaches from psychological empowerment and structural empowerment theories. Psychological empowerment theory stems from the social psychology model and it is based on perceptions and attitudes of employees work. Psychological Empowerment (PE) focuses on the perception of the employee on empowerment (Thomas and Velthouse, 1990; Spreitzer, 1995). This view defines empowerment in terms of cognitive motivational concept. The authors argue that the level of psychological empowerment could be influenced by organizational work environment (Spreitzer, 1995). Conger and Kanungo (1988) postulate that psychological empowerment is the process of enhancing the feeling of self-efficacy among the members by addressing conditions that caused powerlessness. Structural empowerment theory on the other hand focuses on the structures within the organization rather than individual qualities (Fox, 1998). The background of this theory is organizational and management theories. The proponent of structural empowerment theory contend that, traditional organizational structures should be changed and transformed into more decentralized and democratic designs that will allow distribution of more power, information access and responsibilities to the lower levels of the organization (Tannenbaum 1968; Burke, 1986; Block, 1987; Kanter, 1993; Wilkinson, 1998).

Structural empowerment theory has its roots from the theories of social exchange, employee
involvement, participative management and social power (Spreitzer, 2007). Social exchange theory proposes that human relationships are based on cost-benefit analysis and comparison of alternatives. It is viewed as social behavior that may result both economic and social outcomes (Emerson, 1976). Kanter (1977) argue that a leaders’ power will grow by sharing it through empowering others, and as a result stated leaders will realize enhanced organization performance.

Wilkinson (1998) has pointed out that most of the writers in the field of empowerment theory have stated that empowerment leads to improved performance by the workforce. However, Fox (1998) was quick to note that the validity of the theory has been questioned. For instance Elnaga et al (2014) has pointed out that empowerment just consumes time and effort, there are no real gains. Further Spreitzer and Doneson (2005) questioned the relevance of some of empowerment programs put forward. The authors posited that empowerment is a power game, for employees are accustomed to follow orders rather than participate in management and they fear that increased levels of responsibility and accountability will expose their unpreparedness.

Other authors (Gore, 1992; Tryona 1994) have viewed empowerment as a hollow buzz word by practitioners and academicians. Empowerment can lead to decreased efficiency; for example decisions may not be uniform and optimized for achieving organizational goals. Accordingly, attempts at employee empowerment can also be counterproductive. This could be due to actually creating greater controls over employees on one hand and on the other trying to empower them. We can therefore conclude that despite the gains in empowerment, there is still need to look at empowerment further. However, scholars in the area of human resources management have increasingly drawn on empowerment theory as a means of theorizing the relationship between employee empowerment and organizational performance. Based on the above discussion we propose that:

**Hypothesis:** Employee empowerment has influence on performance of Public Universities in Kenya.

**METHODOLOGY OF RESEARCH**

The study was carried out in the twenty two chartered public universities in Kenya. The target population contained of 1,011 employees of charted public universities in Kenya. Stratified random sampling was used to select samples from the population of the twenty two charted public universities. The study used both primary and secondary data. The research mainly relied on quantitative data which was using a questionnaire. Primary data focused on employee empowerment. Secondary data focused on revenue growth. Secondary data was obtained from university records at Commission for University Education, and Performance Contracting reports. Data was analyzed using both descriptive statistics (frequency distributions, means, and standard deviations) and inferential statistics (correlation analysis, analysis of variance and regression) to analyze the data.

**RESULTS OF RESEARCH**

Pearson’s’ Product Moment and Linear regression was employed to measure the influence of employee empowerment on organization performance. Employee empowerment was operationalized using five measures and organization performance using two measures. All the 39 items measuring employee empowerment were combined into a single composite index for purposes of testing the influence of employee empowerment on organizational performance.
Demographic Profile of the Respondents were examined. From the results, 40.3 per cent of the respondents were female while 59.7 male. 51.7% of respondents were non-academics and 42.5% academics. The respondents age ranged from 20-0ver 50 years. Most of the staff were in the age bracket of 40-49 years. This revealed that most of the staffs were young and dynamic. 32% of the respondents had worked with the institutions for between 5-10 years.

The study sought to establish the reliability of each study variable. Cronbach’s Alpha Coefficient was used to test reliability of the instrument. From the results, organizational performance had Cronbach’s Alpha coefficient of .919 while Employee empowerment scored .939 while. Different scholars have used different Cronbach’s Alpha Coefficient factors cut-off points (Nunnally 1978; Hair et al., 1998). The reliability results exceeded the 0.7 level of acceptability revealing a very high degree of reliability.

Correlation analysis using Pearson’s Product Moment (PPM) technique was used to establish the relationship between the main variables of the study. The test was done to identify the strength and direction of the associations among the variables of the study. The variables in the study were employee empowerment and organizational performance. The correlation analysis with the main variables indicated positive and significant coefficients between the variables. The pertinent results revealed that there was significant relationship between employee empowerment and performance (r=.535, p-value<.001).

Test of hypothesis was done using employee empowerment as independent variable and non-financial indicators of performance as dependent variable and secondly, using financial performance, measured by revenue growth. Composite index for four indicators of non-financial performance was the criterion variable while composite index for the five indicators of employee empowerment constituted the measure for the independent variable. A composite index for employee empowerment was computed as the sum of responses divided by the total number of indicators/measurement items. Simple linear regression analysis was used to test the hypothesis. The regression results showed that 28.6% of the variance in non-financial performance was explained by employee empowerment (R²=.286, p-value<0.05) which was statistically significant. However the regression did not explain 71.4% of the variation in performance which was not captured in the model.

F ratio was significant (F=190.353, p-value<0.01). This implied that the regression of employee empowerment on non-financial performance was statically significant at p<0.01 level of significance. This shows that the relationship between the two variables was strong, positive and statistically significant. Equally, β coefficient indicated that employee empowerment contributed substantially to the change in the non-financial performance (β=.858, t=13.797, p-value<0.05). Specifically, for one unit change in employee empowerment there was a corresponding 0.858 variation in non-financial performance. The change was statistically significant. From these results, the hypothesized influence of employee empowerment on non-financial performance was confirmed. The findings were consistent with the findings by Wilkinson (1998) which showed that empowering employees brings a lot of benefit to the organization.

The regression results for financial performance showed that 3.8% of the variation in revenue growth was explained by employee empowerment (R²=.038, p-value<0.01). F ratio was significant (F= 20.276, p<0.01). The F ratio implied the regression
model of employee empowerment on revenue growth was statistically significant at p<0.01. The t value implied that the coefficient of the model parameter was statistically significant (β=-2.363, t=-4.503, p-value<0.01). The β value implied that one unit change in employee empowerment was associated with -2.363 changes in revenue growth. The β value for revenue growth was affected inversely (β=-2.363), however the influence of employee empowerment on revenue growth was statistically significant. The findings were surprising and contrary to what were expected. It was difficult for the researcher to explain why employee empowerment would lead to negative revenue growth. This could probably be due to error in the methodology which could not possibly be detected.

DISCUSSION

The first major finding under the objective was that employee empowerment influences performance of Public Universities in Kenya. The regression results revealed that employee empowerment had a positive and statistically significant influence on financial and non-financial performance. Another key finding of this study was that as organizations continue to engage employees and giving them more autonomy, performance improves positively. As reported earlier, employee empowerment has a statistically significant effect on non-financial performance (r=.535, p<0.05). Employee empowerment accounted for 28.6% of variation in non-financial performance (R² = .286) and was statistically significant (F=190.353 β=.858, t=13.797, p<.05), while employee empowerment accounted for 0.38% of revenue growth and was statistically significant (F=20.276, β =-2.363, t=-4.503 p<0.05). The beta coefficient shows for every increase in employee empowerment there is decrease in revenue growth, thus the relationship is inverse. This result was surprising and contrary to expectations. It could not be explained further.

These findings support the results by Chen (2011) who carried out a study on the influence of employee empowerment on performance in Malaysia automobile industry. In the said study it was found that employee empowerment influences performance, and that there was significant correlation between empowerment dimensions and performance. The study proposed that when employees feel they have autonomy, freedom and opportunities to influence decision making in their jobs their performance improved significantly (Chen, 2011).

The findings of the study are further corroborated by those obtained by Yang and Choi (2009), Menon (2001), Spreitzer, (1995) among others. Spreitzer (1995) found that employee empowerment had an economically and statistically significant impact on performance. The current study is also consisted with studies carried out by Fox (1998) and Spreitzer (1995). The said studies confirmed that involving employees in decision making enhances performance. Fox (1998) noted that empowerment has a ‘win-win’ outcome, that is while improving organizational performance and contributing to the bottom line, it simultaneously leads to improvements in the experience of the workers.

The current study also concurred with studies carried out by Bowen and Lawler (1992). The study carried out at Federal Express in USA established that employee empowerment influences organizational performance. Similar studies done by Carlzon (1989) in Scandinavian Airlines further corroborated that empowerment enhances employee performance.

In the higher education sector, findings from a study carried out by Ahadi (2011) in higher education further confirms that psychological empowerment in higher education context especially in the universities is an important factor which improves work outcome behavior especially for the academic staff in the institutions. Boonyarit et al (2010) in
their study on teachers in Thailand public schools supported the findings of the current study. In the said study it was established that teachers’ perception of structural and psychological empowerment had effect on their performance. However the findings of this study contradict those by Clutterbuck and Kernaghan (1994) who found that despite the depicted benefits of empowerment, employee empowerment has no effect on organizational performance. This could be attributed to the unwillingness of managers to empower their subordinates. The managers fear to lose control, fear of anarchy, personal insecurity, lack of skills, decision making and problem solving are embedded in the managers mind. The findings of this study further contradict the findings by Harley (1999). Harley’s (1990) study done in Australian Workplace Industrial Relations Survey of 1995, found no evidence of increased employee autonomy and increased performance from empowerment schemes. Other critics of empowerment (Cunningham et al., 1996; Legge, 1995) have suggested that there is little evidence that empowerment provide workers with increased power or influence their performance.

The findings on the relationship between employee empowerment and revenue growth were positive and significant. The results revealed that employee empowerment explains only 3.8% (R²=.038) and the model was statistically significant (F=20.276, p-value<.001). From the studies, the beta coefficient of revenue growth was (β=-2.363, p<.001) as reported earlier. However the relationship between empowerment and revenue growth was negative. This result can be interpreted to mean that even if employees are empowered it does not directly translate into revenue growth. Revenue growth could be as result of combination of other factors such as increased student enrollment, grants for research, and increase in income generating activities in the universities.

Employee empowerment is seen as ‘soft’ human resource management orientation which gives employees autonomy; this in turn motivates them to do their work. This therefore explains why employee empowerment is a strong and significant effect on financial and non-financial performance. As hypothesized that employee empowerment has an influence on organizational performance, the results were statistically significant as such it can be inferred that as employee empowerment increases non-financial performance increases.

CONCLUSIONS
The results from the analysis of the study supported the hypothesis as stated in the study. The study confirmed that employee empowerment has an effect on organizational performance. The study used the proposed theories of empowerment, psychological and structural empowerment. The theories based their arguments on the need to attain legitimacy. Empirical work had shown that in psychological empowerment, organization commitment is shown by employees who are emotionally attached to their organization. These employees are more likely to exceed performance standards because they are psychologically motivated and work out of their volition rather than due to external force.

The results were strong, positive and statistically significant at p<0.05. These results in general support the fact that application of employee empowerment strategies is a key to effective organizational performance. As the institutions increase the use of employee empowerment, performance improves positively. Theoretical and past research evidence lends support to these findings (Chen, 2011; Menon, 2001; Spreitzer, 1995; Thomas and Velthouse, 1990). The researchers confirmed that there is significant correlation between dimensions of empowerment and performance. When employees are empowered by being given autonomy, opportunities for growth,
involvement in decision making, their performance improves and they behave as desired.

In support of the current findings a study done by Ahadi (2011) confirmed structural and psychological empowerment has impact on staff in academic institutions. It improves their skills, and increase in professional growth through this they accomplish the mission and goals of the universities. The investment in employee development is important for universities. When Kenyan universities emphasize human resources practices that focus on empowering employees, enhancing their growth and development this is an indication of the value these organizations attach on their employees and need to meet challenges in the turbulent environment. In addition training and development programs enhance the skills and behaviors of employees in a way that impacts on the productivity of the university. Organizations that do well, invest in human resource development schemes unlike those who do not. Public universities should direct their attention to meeting employees needs such as: creating empowering environment, more management support, access to information, investing more training and development, participation in decision making, inspiring leadership, involvement in strategic planning and enabling structures leading to job satisfaction and organization commitment. Empowerment is significant and vital to job satisfaction. The management of the universities must further empower their employees not only at departmental level, but university wide by investing greater resources in promoting policies that will enhance employee empowerment. The study therefore concluded that embracing empowerment in the universities is important in that it enhances the workforce performance.

In conclusion this research has brought in new insight into human resource management fields showing that organizational competiveness depends on alignment of human resource practices such as employee empowerment in order to enhance performance.

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